



*1000 River Street
Mail Stop 966A
Essex Junction, VT 05452*

April 28, 2008

Ms. Susan M. Hudson, Clerk
Public Service Board
Chittenden Bank Building
112 State Street
Post Office Drawer 20
Montpelier, VT 05620-2701

Via Electronic Mail

Re: IBM Reply Comments on EEU 2009-2011 Budget and Forward Capacity Market Funds

Dear Ms. Hudson:

International Business Machines Corporation (IBM) provides the following reply comments regarding the Public Service Board request of April 9, 2008 for comments on the 2009-2011 EEU budget and the disposition of Forward Capacity Market revenues.

IBM concurs with the majority of commenting parties that the EEU budget should be funded at the current level for the 2009-2011 period, with adjustments for inflation as appropriate. The rationale for this recommendation was outlined in IBM's comments of April 4, 2008, on the EEU 20-year budget assumptions. IBM believes that this budget level is "consistent with legislative direction and the Board's August 2, 2006 Order," as stated by the Department of Public Service in comments of April 18, 2008, based on their recent technical analysis.

Geo-targeting and demand response activities should be undertaken to the extent that they support least cost planning objectives. All such activities, including any new or modified geo-targeting, should be contained within the current budget total. Forward capacity market revenues should be applied toward the recommended budget total and used to offset other revenue sources.

IBM appreciates the opportunity to offer these comments. If you have any questions, you may contact me at jmdoyle@us.ibm.com or 769-4706. Thank you for your consideration.

Sincerely,

Janet Doyle

Janet Doyle
Energy and Environmental Programs

cc: EEU E-mail Service List